

Power Cost Memorandum Fuel Cost Update

Date: **August 19, 2021**

Utility Name (Cert. No.) CHITINA ELECTRIC INC (368)	Utility File No. PC26-0416MM	Date Filed: July 7, 2021
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PCE AMOUNT SUMMARY	Previously Approved PC26-0416LL	Staff Recommended Amount(s) and Effective Date PC26-0416MM
Class Rate	<u>Date Approved:</u> July 1, 2021	August 20, 2021
Residential	\$0.3054	\$0.3402
Community Facilities 0-8,120 kWh	\$0.3054	\$0.3402
Community Facilities over 8,120 kWh	\$0.3054	\$0.3402
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		

Prior Fuel Purchase Price: \$ 2.7470	New Fuel Purchase Price: \$ 3.1190
<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted	<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous _____ Updated _____

Staff notes Chitina included the State motor fuel tax of \$0.08 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

Signed: *Brenda Cox*
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

	Date (if different from 8/19/21)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>RMP</i> RMP		
Kurber		<i>KML</i> KML		
Scott		<i>AGS</i> AGS		
Sullivan			<i>DS</i> DS	
Wilson		<i>JWW</i> JWW		

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CHITINA ELECTRIC INC

POWER COST EQUALIZATION CALCULATION
 BASED ON TEST PERIOD ENDING DECEMBER 31, 2015
Fuel Cost Update

	PC26-0416LL	PC26-0416MM
	Prior Commission Approval	Utility Request Staff Recommended
A. Total KWH Generated	458,762	458,762
B. Total KWH Sold (Appendix 2)	383,796	383,796
C. Total Non-Fuel Costs (Appendix 2)	96,409	96,409
D. Non-Fuel Cost/KWH (C / B)	\$0.2512	\$0.2512
E. Total Fuel Costs (Appendix 2)	103,850	117,914
F. Fuel Costs/KWH (E / B)	\$0.2706	\$0.3072
G. Eligible Costs/KWH (D + F)	\$0.5218	\$0.5584
H. Eligible Cost/KWH (G) less base rate in effect	\$0.3215	\$0.3581
I. Lesser of (H) or 79.97 cents/kWh	\$0.3215	\$0.3581
J. Average Class Rates (Appendix 3)		
Residential	\$0.4997	\$0.4997
Community Facilities First 8,120 kWh	\$0.5497	\$0.5497
Community Facilities Over 8,120 kWh	\$0.5497	\$0.5497
Class Power Cost Equalization Per kWh Payable		
K. Lesser of: (I) x 95%, or (J)		
Residential	\$0.3054	\$0.3402
Community Facilities First 8,120 kWh	\$0.3054	\$0.3402
Community Facilities Over 8,120 kWh	\$0.3054	\$0.3402
L. Funding Level in Effect	100%	100%
Residential	\$0.3054	\$0.3402
Community Facilities First 8,120 kWh	\$0.3054	\$0.3402
Community Facilities Over 8,120 kWh	\$0.3054	\$0.3402

PC26-0416MM
Appendix 1

CHITINA ELECTRIC INC

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY
 BASED ON TEST PERIOD ENDING DECEMBER 31, 2015

Fuel Cost Update

		PC26-0416LL	PC26-0416MM	
		Prior Commission Approval	Per Utility	Per Staff
Non-Fuel Costs:				
A.	Personnel Costs	45,760	45,760	45,760
B.	Operating Expenses	21,392	21,392	21,392
C.	General and Administrative	29,060	29,060	29,060
D.	Depreciation	197	197	197
E.	Interest Expense	0	0	0
F.	Total Non-Fuel Costs	\$ 96,409	\$ 96,409	\$ 96,409
Fuel Costs:				
G.	Gallons Consumed for Electric Generation	37,805	37,805	37,805
H.	Most Recent Purchase	\$2.7470	\$ 3.1190	\$ 3.1190
I.	Total Fuel Cost	\$ 103,850	\$ 117,914	\$ 117,914
J.	kWh Generated	458,762	458,762	458,762
K.	kWh Sales	383,796	383,796	383,796
L.	kwh Station Service	38,091	38,091	38,091
M.	Efficiency (J /G)	12.13	12.13	12.13
N.	Line Loss	8.04%	8.04%	8.04%
(kWh generated - (kWh Sold + Station Service))/kWh generated				

\$3.1190
6/30/2021

Standard
≥ 10.5

≥

≤

12%

CHITINA ELECTRIC INC.

AVERAGE RATE CALCULATION

Appendix 3

Calculation of Average Class Rate per kWh
Rate Schedule: Residential

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.2003 kWh
500	0.7000	0.0000	0.7000	350.00	0.7000	0.4997
500				350.00	0.7000	0.4997
TOTAL (A)						(E)

Rate Schedule: Community Facilities

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - 0.2003 kWh
8,120	0.7500	0.0000	0.7500	6,090.00	0.7500	0.5497
Over 8,120	0.7500	0.0000	0.7500			0.5497
TOTAL (A)						(E)

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